

**North Carolina White House Conference on Aging Forum Remarks
May 18, 2005**

Hi, my name is Von Valletta, State President for AARP North Carolina. I thank you for the opportunity to address aging policies as it reflects yesterday, today and tomorrow.

Today, I would like to share priorities from some of our AARP membership in North Carolina who completed an opinion survey developed by the North Carolina Division of Aging for this hearing. We surveyed 250 AARP members from AARP chapters across North Carolina and examined broader surveys of our members in North Carolina. These priorities reflect not only what our members in North Carolina think, they are absolutely consistent with priorities AARP has set nationally based on surveying our national members.

The top three priorities for policy consideration (there was a tie for 3rd and 4th on this survey) are as follows:

- Assure Affordability of Prescription drugs (99% support)**
- Assure affordable health care for people of all age (93% support)**
- Expand programs designed to increase physical activity among older adults(92%)**
- Strengthen protections against financial fraud, abuse, and exploitation (92%)**

Policy Issue 1

Our first policy priority, “assuring affordability of prescription drugs” demonstrates the need to assist all who are struggling with the balancing act of paying the cost of prescription drugs and also meeting other essential expenses (food, housing, utilities, transportation and other medical expenses). Drug prices have skyrocketed in recent years, and continue to take an increasing portion of senior’s retirement income and savings.

The upcoming availability of a prescription drug benefit in Medicare will address some of the problems with prescription drug affordability. Despite the creation of a Medicare drug benefit, a number of aspects of

the benefit will need to be improved over time and will require continued monitoring as the law is implemented.

Other possibilities are:

- Provide consumers, insurers, physicians, and other health care providers with objective information on the relative effectiveness of prescription drugs in order to encourage the safest and most effective treatment at the least cost.
- Ensure access to prescription drugs of good quality at reasonable costs
- Expand prescription drug coverage and reduce prescription drug prices

Policy Issue 2:

“Assuring affordable health care for people of all ages” is imperative due to the ever-increasing growth of health care spending. National health care expenditures are expected to grow about 7.2% per year from 2003 through 2013. Our members care about the rising costs for Medicare beneficiaries, the rising costs for covered workers and the 41 million uninsured in this country.

With this in mind, it is important to maintain and strengthen Medicare, Medicaid and other health programs to provide high quality and affordable health care coverage for current and future beneficiaries. How do we do this? Well, it is not simple because our health care system is the most complicated, most convoluted system and most expensive in the world. We do not have enough time to discuss all the possibilities but here are a few:

- **CMS must monitor provider payments and alert Congress if inadequate payments are inhibiting access especially in rural areas;**
- **CMS must monitor the rising Medicare Part B premiums to determine whether premium affordability is a barrier to access to health care;**
- **Changes in Medicare financing and benefits should protect all beneficiaries from burdensome out-of-pocket costs;**

- Congress should expand Medicare to offer coverage for long term care;
- Health plans must demonstrate compliance with quality indicators developed specifically for the Medicare population;
- Control costs through stronger government regulations
- Broaden preventative health care programs, for example, wellness, alternative options and screening tests approved by Medicare, health care providers and insurers.

Policy Issue 3:

“Expanding programs designed to increase physical activity among older adults” has been identified nationwide and in North Carolina as a way to prevent chronic health conditions such as diabetes, obesity and high blood pressure, each of which contribute greatly to higher health care costs. Presently, one out of six people 50 and older are classified as overweight.

One way AARP has addressed this issue is by launching a walking initiative to promote healthy lifestyles among its members in North Carolina through access to health care information and focusing on walking as a healthy lifestyle. Prevention is a key element for healthy and positive health care decisions and lower health care costs. Walking costs nothing and research shows that the more a person is physically active the better his/her health. Through our partnership with the NC Senior Games and the aging network, we are reaching thousands to improve their lifestyle.

Policy Issue #4-

“Strengthening protections against financial fraud, abuse and exploitation” is essential. Older consumers are an increasingly powerful force in this marketplace and now account for more than one-half of all consumer spending. More consumers are working and have increasing responsibility for critical decisions affecting their current and future financial security. Many older consumers find it difficult to navigate the marketplace and to understand the ever expanding variety of products and marketing schemes, oftentimes leaving them at risk. Whether through telemarketing schemes, bogus charity schemes, or

home improvement schemes, too many seniors find themselves victimized.

With regards to spending, there are large disparities among older consumers, particularly to income and minority status. For example, 4.4 million households age 50 and older try to manage their money without a checking account and many lack a means of savings. This often means they rely on more expensive alternative services such as payday lending and check cashing services, and are vulnerable to other get cash quick schemes like predatory mortgage loans.

These differences reinforce the need for consumers to have the best information and tools available so that they can manage and use their resources effectively. To meet the challenges of a dynamic marketplace and to ensure the economic security of older households in the future, AARP recommends that the nation, the state of North Carolina, industry, policymakers and consumers improve the quality of consumer information in the marketplace; increase the level of consumer financial literacy, especially among baby boomers, minorities and low-income people; and increase consumer choice and financial services options to underserved communities.

This has been a brief overview of some AARP priorities. Our country is at a critical crossroad given the significant demographic shifts coming over the next decade. Our health care systems, our retirement systems, our housing, transportation and environment face significant challenges in the coming year and AARP hopes the 2005 White Conference on Aging is successful in addressing these issues with creativity, compassion, and commitment. Thank you.